

# **FISCAL NOTE**

## **HB 71 - SB 40**

February 20, 2003

### **SUMMARY OF BILL:** Amends the retirement law by:

- requiring the supplemental bridge benefit be paid to certain Group 1 members prior to age 60 if the member retires with 30 or more years of creditable service with all or a portion of such service rendered in a Group 1 position covered by the mandatory retirement provisions.
- allows any local government participating in the retirement system to adopt a mandatory retirement age requirement for all its firefighters and police officers and for all its employees who have been transferred from such a position to a supervisory or administrative position within the police or fire department under certain conditions.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures:**  
**\$1,845,000 Annual Amortized Cost**

**Increase Local Govt. Expenditures:**  
**Exceeds \$100,000 Annual Amortized Cost/Permissive**

**Other Fiscal Impact - Increase Federal/Other Expenditures - \$615,000 Annual Amortized Cost**

Estimate assumes:

- total lump sum liability to state government of \$21,930,000
- annual amortized cost includes a 20-year lump sum liability
- cost of bill to be approximately 4.64% of covered payroll.
- a change in pattern of retirement and that the enhanced bridge benefits will entice 50% of eligible employees to retire on the date of service eligibility.
- the optional political subdivision provision will be adopted by several local governments.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director